

Language: Sport Fisheries Hatchery Construction
Investment Earnings

FY2008 Request: \$3,300,000
Reference No: 42983

AP/AL: Appropriation
Category: Natural Resources
Location: Statewide
House District: Statewide
Estimated Project Dates: 07/01/2007 - 06/30/2010

Project Type: Construction
Contact: Kelly Hepler
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Brief Summary and Statement of Need:

The Alaska Sport Fishing Construction Account (fund 13211) was established by law as per AS 16.05.130(f) after the sale of State of Alaska Sport Fishing Revenue Bonds (issued under AS 37.15.765 - 37.15.799) in April of 2006. This request would allow the Division of Sport Fisheries to utilize investment earnings of the Alaska Sport Fishing Construction Account for construction of new hatchery facilities in the Anchorage and Fairbanks areas, as well as increased king salmon production in Southeast Alaska.

Funding:	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013	Total
Misc Earn	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$19,800,000
Total:	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$3,300,000	\$19,800,000

☐ State Match Required ☐ One-Time Project ☐ Phased - new ☐ Phased - underway ☒ On-Going
0% = Minimum State Match % Required ☐ Amendment ☐ Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
Totals:	0	0

Additional Information / Prior Funding History:

Investment earnings on this account were anticipated by the State Bond Committee and were addressed in Resolution No. 2006-04 providing for the issuance of State of Alaska Sport Fishing Revenue Bonds, Series 2006 in Article VIII, Section 8.07 Construction Fund.

Project Description/Justification:

The state Department of Revenue issued revenue bonds with a gross amount of \$68,060,000 in April of 2006, but the actual amount deposited to the Alaska Sport Fishing Construction Account was \$62,140,000 after adjustments made for underwriter spread, true interest costs, debt service reserve fund and earnings.

Unanticipated inflation in the construction industry due in part to the effects of Hurricane Katrina and increased oil and materials cost have made it imperative that we utilize investment earnings from the Alaska Sport Fishing Construction Account to allow us to complete construction of our hatchery facilities. Existing hatcheries are so deteriorated and obsolete that they are subject to a complete or partial loss of production at any time. This CIP funding request will allow the Division of Sport Fish to utilize investment earnings on the Alaska Sport Fishing Construction Account to at least partially cover the unanticipated increases in cost of construction. Without these funds, completion of the new facilities and programs as they were originally planned will be jeopardized.